SANLI ENVIRONMENTAL LIMITED

Company Registration No.: 201705316M
(Incorporated in the Republic of Singapore)

COMMENCEMENT OF ADJUDICATION PROCEEDINGS

The Board of Directors (the "**Board**") of Sanli Environmental Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that Sanli M&E Engineering Pte Ltd ("**Sanli M&E**"), a wholly-owned subsidiary of the Group, has received an adjudication application by one of Sanli M&E's suppliers, Calgon Carbon (Asia) Pte Ltd ("**Supplier**"), for a project that was completed in early 2019. The Company is of the view that the amount being disputed is without merit and has responded to the Singapore Mediation Centre ("**SMC**").

Sanli M&E and the Supplier has started the adjudication proceedings with SMC on 15 July 2020, and the determination will be issued by the adjudicator in due course. Based on the adjudication application by the Supplier, the amount in dispute is approximately USD530,000 arising from differences in opinion on the value of work done and certain back charges. The Company is working with its legal counsel to respond to the claims made by the Supplier.

Further announcements will be made in respect of any material development thereof.

By Order of the Board
Sanli Environmental Limited

Chua Teck Huat
Chief Executive Officer
16 July 2020

This announcement has been reviewed by the Company's sponsor ("Sponsor"), SAC Capital Private Limited. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement. The contact person for the Sponsor is Mr David Yeong (Tel: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.